

July 18, 2006

Commonwealth of Massachusetts
Division of Energy Resources
100 Cambridge St., Suite 1020
Boston, MA 02114

RE: Comments on Guidelines 225 CMR 14.00

Dear Sir or Madam:

In reviewing your recently released proposed revisions and guidelines re: 225 CMR 14.00 – Renewable Energy Portfolio Standard I am concerned that, if implemented in the present form, the process of building and operating biomass power plants that are eligible for sale of renewable energy credits (RECS) will be inexorably delayed. From my own development point of view I feel that this could jeopardize the entire program because the unintended consequence could be very high rec prices going forward, which could spark a rate payer backlash. Advanced low emission biomass energy has a baseload position in the marketplace which can stabilize rec prices without discouraging the development of other renewable technologies.

My recommendations on the guidelines are as follows:

1. With respect to the elimination of the advisory ruling I feel that the proposed change offers little in the way of certainty to the investment community. It's my sense that the outcome of the proposed "give and take" meeting with DOER on proposed projects provides little if any commitment from the Agency that a project will ultimately qualify. I suggest an expansion of the Statement of Qualification process that encompasses a Part I and Part II. Part I will be a "fill in the blanks" and a presentation meeting (if warranted). DOER can ask all the appropriate questions on specifics of the project and then make a determination of preliminary eligibility. I envision the process to move forward in the following manner: DOER rules that a proposed project meets the first level screen of the Part I analysis, the applicant is then required to complete the Part II of the application within 12 months. By the positive ruling on Part I DOER is stating that if the project, upon thorough review of Part II, is not substantially altered a Statement of Qualification will be issued within a specified timeframe.
2. With respect to *advanced power conversion technology* my suggestion is very simple: Any new, greenfield, project should automatically qualify as advanced. Considering the varying parameters that determine the ultimate design and construction of a modern biomass power plant (or any plant for that matter) it is common knowledge that the engineering and financing components have one common objective: efficiency. The price of fuel, the capital costs, the

cost of capital (along with competition for that capital), the regulatory environment, along with the difficulty of siting and construction a plant all combine to drive the design to be as efficient as possible. I refer you to a DB Riley Technical Publication – *Modern Wood Fired Boiler Designs – History and Technology Changes – Plant Retrofits – Industry Direction* by Kevin Toupin Presented at the ABMA – 1994 Clean Power for the 90s Conference (May 11-13,1994). Mr Toupin presents the historical development of increased boiler / combustion efficiency due to the ever increasing cost of fuel. A modern biomass power plant designed by a qualified engineering firm using equipment supplied by a major vendor will be the most commercially available advanced system as possible.

I do, however, suggest applying the proposed guidelines, on determination of advanced eligibility, to projects that wish to qualify using pre-existing equipment.

I hope these comments are helpful. I would also like to thank you for your part in our common goal of promoting and advancing the sustainable implementation of renewable energy throughout the region.

Sincerely,

Louis T. Bravakis